

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD**

**LGH DIGITAL MEDIA, INC. D/B/A
LARSON STUDIOS, LLC**

and

Cases 31-CA-248995

**MOTION PICTURE EDITORS GUILD,
IATSE LOCAL 700**

DECISION AND ORDER

Statement of the Cases

On April 7, 2020, LGH Digital Media, Inc. d/b/a Larson Studios, LLC (the Respondent); Motion Picture Editors Guild, IATSE Local 700 (the Charging Party or Union); and the General Counsel of the National Labor Relations Board entered into a Formal Settlement Stipulation, subject to the Board's approval, providing for the entry of a consent order by the Board. The parties waived all further and other proceedings before the Board to which they may be entitled under the National Labor Relations Act and the Board's Rules and Regulations.

The Formal Settlement Stipulation is approved and made a part of the record, and the proceeding is transferred to and continued before the Board in Washington, D.C., for the entry of a Decision and Order pursuant to the provisions of the Formal Settlement Stipulation.

Based on the Formal Settlement Stipulation and the entire record, the Board makes the following

Findings of Fact

1. The Respondent's business

The Respondent has been a corporation with an office and place of business in Los Angeles, California, where it has been engaged in the business of providing post-production sound services for television.

In conducting its business during the calendar year ending December 31, 2018, the Respondent provided services valued in excess of \$50,000 directly to customers outside the state of California.

The Respondent has been, at all material times, an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the National Labor Relations Act (the Act).

2. The labor organization involved

At all material times, the Motion Picture Editors Guild, IATSE Local 700, has been a labor organization within the meaning of Section 2(5) of the Act.

3. The following employees of the Respondent (the "Unit") constitute a unit appropriate for the purposes of collective-bargaining within the meaning of Section 9(b) of the Act:

Employees working in the classification listed in the August 1, 2003 agreement between Producer (Independents) and International Alliance of Theatrical Stage Employees [sic] and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada and Motion Picture Editors Guild, Local #700 ("the Basic Agreement") who perform post-production sound services for us.

In about October 1989, the Respondent signed an Agreement of Consent with the Union wherein it recognized the Union as the exclusive collective-bargaining representative of the Unit, agreed to be part of a single multi-employer unit (the Alliance of Motion Pictures and Television Producers), and agreed to be bound by the Basic Agreement, the most recent of which is described above. Since October 1989 and at all material times, the Respondent has remained bound by the Agreement of Consent and has recognized the Union as the exclusive collective-bargaining representative of the Unit.

At all material times, based on Section 9(a) of the Act, the Union has been the exclusive collective-bargaining representative of the Unit.

ORDER

Based on the above findings of fact, the Formal Settlement Stipulation, and the entire record, and pursuant to Section 10(c) of the National Labor Relations Act, the National Labor Relations Board orders that the Respondent, LGH Digital Media, Inc. d/b/a Larson Studios, LLC, its officers, agents, successors, and assigns shall

1. If it reopens, cease and desist from

(a) Failing or refusing to bargain collectively with Motion Picture Editors Guild, IATSE Local 700 (the "Union") as the exclusive collective bargaining representative of all the employees in the unit.

(b) Failing to timely notify the Union and afford it an opportunity to bargain over the effects of its decision to close.

(c) Failing and refusing to bargain collectively with the Union by failing to make contributions to Unit employees' individual 401(k) accounts.

(d) Failing and refusing to bargain collectively with the Union by failing to adhere to the terms of the Basic Agreement regarding severance pay.

(e) In any like or related manner interfering with, restraining, or coercing its employees in the exercise of their right to self-organization, to form labor organizations, to join or assist the Union or any other labor organization, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, or to refrain from any and all such activities.

2. Take the following affirmative actions necessary to effectuate the policies of the Act.

(a) Upon request and subject to the provisions of the Bankruptcy code, bargain in good faith with the Union as the exclusive collective-bargaining representative of Unit employees over the effects of the decision to close and reduce to writing and sign any agreement reached as a result of such bargaining.

(b) In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, before implementing any changes in wages, hours, or other terms and conditions of employment of unit employees, notify and, on request, bargain with the Union as the exclusive collective-bargaining representative of Unit employees.

(c) In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, if requested by the Union, rescind any or all changes to your terms and conditions of employment that were made without bargaining with the Union.

(d) Make unit employees whole for any loss of earning and other benefits resulting from the unilateral changes to terms and conditions of employment in the manner and amounts specified in the attached documents marked as Appendix B and C, to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee.

(e) Remedy the failure to bargain in good faith about the effects of the closure by paying former employees in the Unit described above their normal wages at the time of the closure, with interest, for a period set forth in *Transmarine Navigation Corp.*, 170 NLRB 389 (1969), as clarified by the Board decision in *Melody Toyota*, 325 NLRB 846 (1998), in the manner and amounts specified in the

attached document marked as Appendix D, to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee.

(f) Compensate employees for the adverse tax consequences of receiving a lump-sum backpay award in the amounts set forth in the attached documents marked Appendix B, C, and D, to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee, and file a report with the Regional Director for Region 31 allocating the backpay award to the appropriate calendar year.

(g) Refrain from contesting or objecting to the allowance of a proof of claim filed by Region 31 of the National Labor Relations Board in the Chapter 7 bankruptcy case *In re: LGH Digital Media, Inc., dba Larson Studios.*, Case No. 19-21075.

(h) Refrain from contesting or objecting to the priority classifications asserted by a proof of claim filed by Region 31 of the National Labor Relations Board in the Chapter 7 bankruptcy case *In re: LGH Digital Media, Inc., d/b/a Larson Studios*, Case No. 19-21075.

(i) Within 14 days of service by the Region, Respondent shall duplicate and mail, at its own expense, a copy of the attached notice marked as Appendix A to all former employees employed by Respondent at any time since August 2018. Copies of the notice, on forms provided by Region 31 of the NLRB, shall be mailed by Respondent after being signed by Respondent's authorized representative. In addition to mailing the notices, Respondent shall distribute notices electronically, by email, to all former employees who were employed at any time since August 2018.

(j) Within 21 days after service by the Region, file with the Regional Director a sworn certification of a responsible official on a form provided by the Region attesting to the steps the Respondent has taken to comply.

Dated, Washington, D.C., June 4, 2020.

John F. Ring, Chairman

Marvin E. Kaplan, Member

William J. Emanuel, Member

(SEAL)

NATIONAL LABOR RELATIONS BOARD

APPENDIX A

NOTICE TO EMPLOYEES

POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

PURSUANT TO A STIPULATION PROVIDING
FOR A BOARD ORDER AND A CONSENT JUDGMENT
OF ANY APPROPRIATE UNITED STATES COURT OF APPEALS

FEDERAL LAW GIVES YOU THE RIGHT TO:

Form, join, or assist a union;
Choose a representative to bargain with us on your behalf;
Act together with other employees for your benefit and protection;
Choose not to engage in any of these protected activities.

WE WILL NOT interfere with, restrain, or coerce you in the exercise of the above rights. In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL NOT** fail or refuse to bargain collectively with Motion Picture Editors Guild, IATSE Local 700 ("the Union") as the exclusive collective-bargaining representative of our employees in the following appropriate unit ("the Unit"):

Employees working in the classifications listed in the August 1, 2003 agreement between Producer (Independents) and International Alliance of Theatrical Stage Employees [sic] and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada and Motion Picture Editors Guild, Local #700 ("the Basic Agreement") who perform postproduction sound services for us.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL NOT** fail to timely notify the Union and afford it an opportunity to bargain over the effects of our decision to close.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL NOT** fail and refuse to bargain collectively with the Union by failing to make contributions to Unit employees' individual 401(k) accounts.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL NOT** fail and refuse to bargain collectively with the Union by failing to adhere to the terms of the Basic Agreement regarding severance pay.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL NOT** in any like or related manner interfere with, restrain or coerce you in the exercise of your rights under Section 7 of the Act.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL**, upon request, bargain in good faith with the Union as the exclusive collective-bargaining representative of Unit employees over the effects of our decision to close and **IT WILL** reduce to writing and sign any agreement reached as a result of such bargaining.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL**, before implementing any changes in wages, hours, or other terms and conditions of employment of unit employees, notify and, on request, bargain with the Union as the exclusive collective-bargaining representative of Unit employees.

In the event that LGH Digital Media, Inc. d/b/a Larson Studios, LLC or an alter ego reopens, **IT WILL**, if requested by the Union, rescind any or all changes to your terms and conditions of employment that we made without bargaining with the Union.

WE WILL make unit employees whole for any loss of earnings and other benefits resulting from our unilateral changes to terms and conditions of employment to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee.

WE WILL remedy our failure to bargain in good faith about the effects of our closure by paying our former employees in the Unit described above their normal wages at the time of the closure, with interest, for a period set forth in *Transmarine Navigation Corp.*, 170 NLRB 389 (1969), as clarified by the Board decision in *Melody Toyota*, 325 NLRB 846 (1998) to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee.

WE WILL compensate employees for the adverse tax consequences, if any, of receiving a lump sum backpay award, to the extent that there are assets available for distribution by the Chapter 7 Bankruptcy Trustee, and **WE WILL** file a report with the Regional Director for Region 31 allocating the backpay award to the appropriate calendar year.

WE WILL refrain from contesting or objecting to the allowance of a proof of claim filed by Region 31 of the National Labor Relations Board in the Chapter 7 bankruptcy case In re: LGH Digital Media, Inc., d/b/a Larson Studios., Case No. 19-21075.

WE WILL refrain from contesting or objecting to the priority classifications asserted by a proof of claim filed by Region 31 of the National Labor Relations Board in the Chapter 7 bankruptcy case In re: LGH Digital Media, Inc., d/b/a Larson Studios., Case No. 19-21075.

The Board's decision can be found at www.nlrb.gov/case/31-CA-248995 or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half St., S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



APPENDIX B

Severance – 31 Employees

NAME	BACKPAY	INTEREST	EXCESS TAX LIABILITY	TOTAL
Abell, Jason	\$ 2,412.77	\$ 63.45	\$ 511.98	\$ 2,988.20
Arons, Bob	\$ 17,765.23	\$ 467.22	\$ 4,069.63	\$ 22,302.08
Beaumont, Shannon	\$ 15,227.34	\$ 400.47	\$ 3,453.37	\$ 19,081.18
Berry, Justin	\$ 15,227.34	\$ 400.47	\$ 3,453.37	\$ 19,081.18
Combe, Cameron	\$ 1,947.60	\$ 51.22	\$ 413.27	\$ 2,412.09
Curran, Sean	\$ 1,947.60	\$ 51.22	\$ 413.27	\$ 2,412.09
Decoster, Adam	\$ 27,337.50	\$ 718.97	\$ 6,394.03	\$ 34,450.49
Decoster, Elaine	\$ 5,842.80	\$ 153.66	\$ 1,239.82	\$ 7,236.28
Dondorf, David	\$ 28,776.55	\$ 756.81	\$ 6,743.47	\$ 36,276.83
Fassl, Ed	\$ 15,227.34	\$ 400.47	\$ 3,453.37	\$ 19,081.18
Feil, Nick	\$ 3,769.42	\$ 99.13	\$ 799.85	\$ 4,668.41
Fossum, Davis	\$ 7,613.67	\$ 200.24	\$ 1,615.59	\$ 9,429.49
Gladden, Ken	\$ 20,303.12	\$ 533.96	\$ 4,685.90	\$ 25,522.98
Grady-Reitan, Nate	\$ 2,412.77	\$ 63.45	\$ 511.98	\$ 2,988.20
Ho (McCullough), Emily	\$ 17,765.23	\$ 467.22	\$ 4,069.63	\$ 22,302.08
Howard, Dean (Fred)	\$ 30,219.97	\$ 794.77	\$ 7,093.97	\$ 38,108.71
Joseph, Devin	\$ 10,151.56	\$ 266.98	\$ 2,220.83	\$ 12,639.38
Kilzer, Tom	\$ 22,616.50	\$ 594.81	\$ 5,247.65	\$ 28,458.95
Mohr, Alexey	\$ 22,385.16	\$ 588.72	\$ 5,191.47	\$ 28,165.35
Novak, Ken	\$ 24,786.00	\$ 651.86	\$ 5,774.46	\$ 31,212.32
Philp, Chris	\$ 10,800.00	\$ 284.04	\$ 2,378.29	\$ 13,462.33
Santos, James (Jamie)	\$ 22,113.00	\$ 581.56	\$ 5,125.38	\$ 27,819.95
Schneider, Josh	\$ 29,830.68	\$ 784.54	\$ 6,999.44	\$ 37,614.65
Server, Mark	\$ 30,618.00	\$ 805.24	\$ 7,190.62	\$ 38,613.86
Sieh, Josh	\$ 6,352.02	\$ 167.06	\$ 1,347.87	\$ 7,866.95
Spriggs, Craig	\$ 15,352.74	\$ 403.77	\$ 3,483.82	\$ 19,240.33
Stacy, Cary	\$ 5,075.78	\$ 133.49	\$ 1,077.06	\$ 6,286.33
Stacy, Greg	\$ 10,151.56	\$ 266.98	\$ 2,220.83	\$ 12,639.38
Stacy, Meredith	\$ 7,613.67	\$ 200.24	\$ 1,615.59	\$ 9,429.49
Unthank, Chris	\$ 8,198.31	\$ 215.61	\$ 1,739.64	\$ 10,153.57
Williams, Mark	\$ 14,476.62	\$ 380.73	\$ 3,271.07	\$ 18,128.42
Severance Totals:	\$454,317.85	\$ 11,948.40	\$ 103,806.50	\$570,072.74

APPENDIX C
401(k) Contributions Reimbursement – 21 Employees

NAME	BACKPAY	BACKPAY Subject to 5th Priority	INTEREST	INTEREST Subject to 5th Priority	EXCESS TAX LIABILITY	TOTAL	TOTAL Subject to 5th Priority¹
Arons, Bob	\$399.05	\$0.00	\$29.75	\$0.00	\$23.54	\$452.34	\$0.00
Beaumont, Shannon	\$956.83	\$956.83	\$51.13	\$51.13	\$208.40	\$1,216.37	\$1,007.96
Berry, Justin	\$5,101.85	\$2,776.76	\$335.38	\$156.82	\$638.17	\$6,075.41	\$2,933.58
Decoster, Adam	\$2,949.45	\$1,646.01	\$195.24	\$95.74	\$362.21	\$3,506.90	\$1,741.75
Decoster, Elaine	\$1,962.44	\$1,211.35	\$130.46	\$72.75	\$224.04	\$2,316.94	\$1,284.10
Dondorf, David	\$15,399.68	\$9,075.46	\$1,004.75	\$524.14	\$2,145.72	\$18,550.15	\$9,599.60
Fassl, Ed	\$10,993.20	\$5,908.22	\$720.34	\$334.93	\$1,485.45	\$13,198.99	\$6,243.15
Fossum, Davis	\$2,637.63	\$1,721.45	\$164.89	\$94.99	\$362.27	\$3,164.78	\$1,816.4 4
Gladden, Ken	\$392.30	\$0.00	\$30.52	\$0.00	\$23.41	\$446.23	\$0.00
Ho (McCullough), Emily	\$5,657.40	\$2,050.35	\$409.08	\$133.33	\$398.04	\$6,464.52	\$2,183.68
Howard, Dean (Fred)	\$10,194.13	\$5,564.37	\$671.02	\$319.84	\$1,272.31	\$12,137.47	\$5,884.21
Mohr, Alexey	\$2,506.52	\$1,277.84	\$163.70	\$71.16	\$305.79	\$2,976.01	\$1,349.00
Novak, Ken	\$3,693.80	\$2,292.89	\$236.44	\$130.56	\$494.36	\$4,424.60	\$2,423.45
Philp, Chris	\$10,623.33	\$7,131.10	\$686.12	\$421.76	\$1,34 4.98	\$12,654.42	\$7,552.86
Santos, James (Jamie)	\$8,378.55	\$5,030.51	\$545.55	\$289.82	\$1,041.85	\$9,965.96	\$5,320.33
Schneider, Josh	\$4,367.04	\$2,222.85	\$293.69	\$130.36	\$488.71	\$5,149.44	\$2,353.21
Server, Mark	\$890.35	\$170.92	\$66.89	\$11.10	\$52.63	\$1,009.87	\$182.02
Sieh, Josh	\$6,774.05	\$3,167.70	\$474.02	\$198.98	\$619.04	\$7,867.11	\$3,366.68
Stacy, Greg	\$1,341.05	\$612.74	\$85.54	\$31.26	\$176.11	\$1,602.70	\$644.00
Unthank, Chris	\$8,373 .55	\$3,511.48	\$589.13	\$219.68	\$798.88	\$9,761.56	\$3,731.16
Williams, Mark	\$8,107.66	\$4,611.65	\$531.97	\$265.80	\$992.60	\$9,632.23	\$4,877.45
Totals:	\$111,699.86	\$60,940.48	\$7,415.60	\$3,554.15	\$13,458.53	\$132,574.00	\$64,494.63

¹ The Respondent owes the claimants an undetermined amount of post-petition interest accruing from amounts claimed in Appendix C. Post-petition interest is payable pursuant to 11 U.S.C. §726(a)(5) if the Respondent is solvent at the close of the case. The Region reserves the right to amend its Proof of Claim regarding Post-petition interest.

APPENDIX D

Transmarine Remedy – 41 Employees

NAME	BACKPAY	INTEREST	EXCESS TAX LIABILITY	TOTAL ²
Abell, Jason	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Arons, Bob	\$ 2,660.34	\$ 101.12	\$ 570.95	\$ 3,332.41
Ash, Rick	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Beaumont, Shannon	\$ 5,467.58	\$ 207.82	\$ 1,173.43	\$ 6,848.84
Berry, Justin	\$ 2,519.42	\$ 95.76	\$ 540.71	\$3,155.89
Cannella, Anita	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Combe, Cameron	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Curran, Sean	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
DeCoster, Adam	\$ 3,932.62	\$ 149.48	\$ 844.01	\$4,926.10
Decoster, Elaine	\$ 2,156.54	\$ 81.97	\$ 462.83	\$2,701.34
Dondorf, David	\$ 6,540.72	\$ 248.61	\$ 1,403.75	\$8,193.08
Dyer, Wallace (Wilson)	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Fassl, Ed	\$ 6,262.62	\$ 238.04	\$ 1,344.06	\$7,844.72
Feil, Nick	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Fisher, Kevin	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Fossum, Davis	\$ 3,140.02	\$ 119.35	\$ 673.90	\$3,933.27
Geary, Ginger	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Gerbrandt, Alex	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Gladden, Ken	\$ 2,905.90	\$ 110.45	\$ 623.65	\$3,640.01
Grady-Reitan, Nate	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Ho (McCullough), Emily	\$ 5,388.02	\$ 204.80	\$ 1,156.36	\$6,749.18
Hodges, Hilda	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Howard, Dean (Fred)	\$ 6,371.34	\$ 242.17	\$ 1,367.40	\$ 7,980.91
Joseph, Devin	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Kilzer, Tom	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Lambert-Gibson, Kimberly	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Mohr, Alexey	\$ 5,967.96	\$ 226.84	\$ 1,280.82	\$7,475.62
Novak, Ken	\$ 1,970.00	\$ 74.88	\$ 422.79	\$2,467.67
Owens, Rick	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$5,897.79
Philp, Chris	\$ 6,438.40	\$ 244.72	\$ 1,381.79	\$8,064.91
Santos, James (Jamie)	\$ 7,254.16	\$ 275.73	\$ 1,556.86	\$9,086.75
Schneider, Josh	\$ 5,293.42	\$ 201.20	\$ 1,136.06	\$6,630.68
Server, Mark	\$ 5,935.58	\$ 225.61	\$ 1,273.87	\$7,435.06

² The Respondent owes the claimants an undetermined amount of post-petition interest accruing from amounts claimed in Appendix C. Post-petition interest is payable pursuant to 11 U.S.C. §726(a)(5) if the Respondent is solvent at the close of the case. The Region reserves the right to amend its Proof of Claim regarding Post-petition interest.

APPENDIX D (con't.)

NAME	BACKPAY	INTEREST	EXCESS TAX LIABILITY	TOTAL
Sieh, Josh	\$ 5,890.46	\$ 223.90	\$ 1,264.19	\$ 7,378.55
Singer, Randy	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Spriggs, Craig	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Stacy, Cary	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Stacy, Greg	\$ 3,944.24	\$ 149.92	\$ 846.50	\$ 4,940.66
Stacy, Meredith	\$ 4,708.34	\$ 178.96	\$ 1,010.49	\$ 5,897.79
Unthank, Chris	\$ 5,348.72	\$ 203.30	\$ 1,147.92	\$ 6,699.95
Williams, Mark	\$ 3,487.16	\$ 132.55	\$ 748.40	\$ 4,368.11
Transmarine Totals:	\$ 193,042.02	\$ 7,337.48	\$ 41,430.03	\$ 241,809.54